

US for WTO move against Japan telecom regime

WASHINGTON, Mar 31: The United States may complain to the World Trade Organisation about Japan's telecommunications regime that could be in violation of WTO rules of free trade, US Trade Representative Charlene Barshefsky said yesterday, reports AFP.

"Japan's failure to implement cost-oriented interconnection rates calls into question its adherence to its WTO commitment to ensure cost-based interconnection rates and regulate its market in an impartial manner," Barshefsky said in a statement announcing the findings of an annual review of barriers to trade in the telecom sector.

She said she would make a decision by the end of July on whether to take action against Tokyo.

Current Japanese proposals to open the market to competitors of Nippon Telegraph and Telephone Corporation are inadequate, a US official said, commenting Japan's proposal last week to cut NTT's interconnection charges by 22 per cent over four years.

Washington wants a cut of 25-50 per cent over two years, the US official said.

The history of this issue and how the Ministry of Posts and Telecommunication is approaching it lend a lot of credence to the view that they're not being impartial," he said.

"The constant theme (in talks) has been the need to protect NTT, the need to ensure NTT is profitable, the need to ensure NTT can invest in specific technologies. That to us does not appear to be an impartial way of taking a regulatory decision and would be a major focus of any WTO review," he added.

The July deadline will give Japan time to complete the passage of a new law authorising more market-based regime and to issue regulations to flesh out that regime, the official said.

Based on these clarifications, and further discussion with the Japanese government, we will decide by the end of July, whether additional action, including in the WTO would be appropriate," said Barshefsky.

S Arabia hopes for foreign investment law soon

DUBAI, Mar 31: Saudi Arabia hopes to approve soon a proposed foreign investment law aimed at attracting foreign capital, Defence Minister Prince Sultan said, reports Reuters.

Prince Sultan made his comments to reporters yesterday night, the official Saudi Press Agency (SPA) reported. Prince Sultan said "the cabinet will give its final approval (of the law) and God willing it will be issued soon."

He said the cabinet would discuss the law after the Shura Council, the kingdom's consultative body, approved it on Tuesday. King Fahd has to give final approval of the law.

Last month, Saudi Arabia's Supreme Economic Council, chaired by Crown Prince Abdullah, approved draft laws on foreign investment and approved the General Investment Authority to provide the mechanism to attract foreign investment.

It also approved a recommendation by the state-owned Saudi Industrial Fund (SIF) to amend the policy of industrial project financing to allow lending for industrial projects wholly owned by foreigners.

The council's decision appeared to indicate that foreigners would be allowed 100 per cent ownership of industrial projects, a major step in a country where foreigners are so far limited to 49 per cent holdings.

S Korea to use foreign cars during Seoul ASEM meet

SEOUL, Mar 31: South Korea will use imported cars to carry dignitaries during an Asian-European summit meeting in October to demonstrate its intention to further open its auto market, officials said Thursday, reports AP.

US and other foreign automakers have urged the Seoul government to take measures to improve access to the South Korean market, including using imported cars for government functions.

About 910,000 passenger cars were sold in South Korea last year. Of them only 2,400 cars, or 0.26 per cent, were foreign.

Many South Koreans still regard buying a foreign car as unpatriotic. Foreign car owners have complained that traffic police stopped them more often and their cars were scratched at night.

Foreign trade officials have complained about invisible trade barriers against imported cars. Now we want to take a symbolic step to show that we are accepting foreign cars," said Kim Yong-Hoon of the Foreign Affairs and Trade Ministry.

South Korea will use 210 imported cars for official use during the three-day Asia-Europe meeting in Seoul in October, Kim said.

That will count for about half of all the cars needed for the conference, he said.

IRRI 'super rice' 4 yrs away

Production seen rising by 50 per cent

LOS BANOS (Philippines), Mar 31: A new "super rice" seen as Asia's hope to fill empty bowls by boosting yields up to 50 per cent in four years from being distributed to farmers for mass planting, its principal breeder said here today, reports AFP.

Gurdev Khush, the head of the International Rice Research Institute (IRRI) plant breeding genetics and biochemistry division, said the plant would remain in controlled field test conditions for the next two years.

It would take two more years of testing and building up seed reserves before it was made available to Asia's farmers, he told reporters in this university town south of Manila where IRRI's headquarters is based.

Cross-breeding to develop the new high-yield rice in being done with conventional methods, Khush said. Genetic engineering could only be performed when introducing genes that would bolster the plant's defence mechanism against pests, he said.

The plant, dubbed "super rice" by the media because it promises to increase yields from the current eight tonnes a hectare, is much-awaited by Asia to help feed its rapidly growing population.

"Four years from now, farmers shall have access to the plant," said Khush, adding that scientists were still perfecting the grain.

"The new plant type lines have short grains and what we need is long grains for the tropics and sub-tropics. So we have now the new lines coming up which have the long grains," he said.

Scientists are "trying to introduce genes for insect resistance," he said. "In two years, we hope that

we will have accomplished all these objectives. Then this will be distributed, widely tested by the other countries," he added. The plant has been given to scientists in India and Bangladesh and the Philippines for further tests.

"We think there are some opportunities with this new plant type," said IRRI director-general Ronald Cantrell. "But again this is not something that's going to happen overnight."

The region has varying environmental conditions and "we cannot develop something that would just sweep all Asia," Cantrell said. "It would have to be crossed with the local varieties."

The main problem confronting them is the plant's low resistance to stem borers "so we're putting a major effort" to increase its natural resistance to the pest, Cantrell said.

An American scientist at a conference hosted by IRRI ear-

lier this week also unveiled a new rice strain that could dramatically boost yields by up to 35 per cent. However, the strain belongs to the so-called "Frankenstein" variety of genetically modified plants.

Maurice Ku, a Taiwan-born scientist at the Washington State University in Pullman, US, said his research involved introducing maize genes into the rice plant through genetic engineering to increase its capacity to manufacture its own food through photosynthesis.

The seed might be available to farmers in the next three to five years, Ku told AFP.

IRRI's Khush said the world must increase rice production by 50 per cent in the next 30 years to be able to feed the population, expected to grow between 30 and 40 per cent in the same period.

Asia hosts more than half of the planet's six billion people.

Fed sees signs of growing strains in US economy

Rate hike seen having little effect

TOKYO, Mar 31: Federal Reserve Bank of New York President William McDonough said today he saw signs of imbalances and strains in the US economy, suggesting the central bank's recent rate hikes were having little effect, reports Reuters.

Speaking to the Japan Centre for Economic Research in Tokyo, McDonough cited rising commodity prices, strong consumer demand and an ever-worsening current account deficit as concerns. He also questioned whether US stocks could continue to move up in tandem with corporate output and earnings.

"As a central banker ... I cannot help but register concerns about some recent developments," McDonough said in prepared remarks.

"As the expansion has progressed, signs of imbalance or strain have begun to appear in the US economy, especially in relation to the world economy."

"Commodity prices, for example — and not just oil prices — have increased rapidly in recent months, as world growth has bounced back sharply in 1999," he said in a text of his

remarks made available in advance of delivery.

McDonough is the vice chairman of the Federal Open Market Committee, which as the US central bank's policy arm has raised rates five times since last June in an attempt to rein in the surging US economy.

But with little sign of any slowdown, the central bank is expected to push rates seven higher in the coming months.

In another sign of economic imbalance, he said: "Strong consumption growth in the United States has been fuelled in part by an inexorable decline in the personal savings rate." However, some of the decline could be skewed by "technical measurement issues," he said.

Looking at the widening current account deficit, he noted it now stood at about four per cent of gross domestic product and was set to get even bigger, which posed considerable risks for the US economy.

Suggesting the Fed was watching this development closely, he added: "History also tells us that current account imbalances eventually require macroeconomic adjustment —

adjustment that is smoother and more orderly the earlier and more coordinated the policy response."

Reviewing global growth prospects, McDonough said great risks were posed by the fact that the United States was the only major economy showing vigorous growth.

This situation could end in tears not only for the United States but also for the world as a whole.

The United States cannot indefinitely be the engine of growth for the world economy — the importer of first and last resort — and sustain ever-mounting current account deficits without running the very real risk of economic and financial difficulties that could well weigh on many of the world's economies. No one wants that," he said.

Reviewing the domestic economy's performance, he said inflation was subdued but he saw considerable vigour in consumer demand and in the housing industry. "Indeed, the question is whether household demand is growing too quickly," he said.



Outgoing Chairman of Dhaka Stock Exchange Md Rakibur Rahman presides over the bourse's 37th annual general meeting at a city hotel on Thursday. — DSE photo

US economy in end-'99 was strongest in 16 years

GDP surprisingly surged to 7.3pc

WASHINGTON, Mar 31: US economic growth in the closing months of 1999 was the strongest in nearly 16 years, the government said yesterday, defying Federal Reserve policymakers' bid to rein it in through interest-rate rises, reports Reuters.

The Commerce Department said gross domestic product, or GDP, accelerated to a surprisingly brisk 7.3 per cent annual rate in the final three months of 1999, up from the previously reported 6.9 per cent.

GDP measures the total output of goods and services within US borders and is the broadest measure of total economic activity. The fourth-quarter performance was the most vigorous since a 9 per cent rate of growth in the first quarter of 1984. The acceleration in national output exceeded forecasts and meant the economy hit 2000 with booming momentum that helped carry it into a record 107th month of expansion in February.

"The economy has been performing almost to perfection with strong growth in real GDP, impressive gains in productivity and low inflation despite a tripling in oil prices," said Lynn Reaser, and economist with Bank of American Asset Management Group in St Louis, Mo.

Reaser said that with new-car sales at record levels and retail sales strong, GDP should

expand at a rate "close to 5-1/2 per cent" in the first quarter before easing to around 4 per cent in the second half of the year.

Treasury secretary Lawrence Summers said the GDP figures demonstrated the sound footing on which the long-running expansion was based.

"We are continuing to enjoy an investment-led, productivity-driven expansion where we are seeing significant increases in demand but also very significant increases in capacity and supply," Summers said at a news conference dealing with the boost that old-age security and health care programme were getting from the durable economic prosperity.

The economy had grown at a 5.7 per cent rate in the third quarter — also strong by historical standards — but received more stimulus in the fourth quarter from a consumer shopping frenzy and from stockpiling by businesses and households for fear of supply disruptions amid the 2000 date changeover.

Analysts expect the expansion to lose some sizzle, but to keep growing at a still-robust annual rate around 5 per cent in the first quarter. The government's first measure of GDP in the first three months will not be issued until April 27.

Jerry Jasinowski, president of the National Association of

Manufacturers, said the fourth-quarter GDP speed-up reflected "one-time factors" like inventory accumulation and was not worrisome.

Separately on Thursday, the Labour Department said new claims for unemployment benefits rose to 266,000 in the week ended March 25 from a revised 263,000 for the prior week. But a four-week moving average that smoothes out seasonal variations showed claims dropped to 268,000 in the March 25 week from 270,250 in the prior week — the lowest in more than 26 years since 256,750 in the Dec 15, 1973 week.

The Federal Reserve began gradually ratcheting interest rates up in increments of a quarter percentage point in June last year, raising them three times in 1999 and twice in this year, most recently on March 21.

The US central bank's actions were aimed at taking some starch out of the economy in hopes of preserving the expansion from a potential flare-up in wage and price rises.

But costlier credit has so far shown no sign of curbing consumer spending — the rocket fuel for two-thirds of national economic activity — despite warning from Fed policymakers that they were prepared to raise rates by as much as needed to achieve a slowdown.

BSE plunges by 40 points on Nasdaq fall

BOMBAY, Mar 31: Share prices on the Bombay Stock Exchange (BSE) closed down 0.8 per cent today in reaction to an overnight fall on the technology-heavy US Nasdaq exchange and financial year-end considerations, brokers said, reports AFP.

The benchmark 30-shares sensitive index on the BSE closed down 39.80 points at 5,001.28 after volatile trading.

The market began the day very weak, plunging 3.4 per cent within minutes of opening in reaction to the 186.6 points overnight fall on the Nasdaq.

"This was the second successive fall on the Nasdaq and the market was in a panic. Many shares were limit down as nobody wanted to hold on to positions," said broker Gaurav Sanghi.

Buying support came in at the low price levels, partially reversing the early losses but could never overtake the selling pressure.

Information technology stocks were the worst hit by the fall as most other sectors managed to recover early losses by the end of the day.

Brokers said another reason for the fall was that today also marked the end of the current financial year.

"Everybody wanted to square up positions at the end of the year. Also nobody wanted to take any chances over what could happen on the Nasdaq tonight," said broker Atul Tolia. Textiles and petrochemicals company Reliance Industries led the day's trades, recording 11 million shares traded and closing limit up at 314.50 rupees (7.3 dollars).

Stocks of Zee Telefilms, HFCL, Satyam Computers were also actively traded.

However, most other shares reported low business volumes. Brokers also said they were "concerned" at the impact of more liberal imports on domestic industries.

Indian Commerce Minister Murali Manohar said he would unveil the export-import policy for the year to March 2001 opening the doors to the import of 714 items.

"More opening up to imports is generally bad for domestic industry but we have yet to see the details of the policy," said broker Tolia.

Friday's trading saw Associated Cement Cos up 8.90 rupees at 140.40 rupees, Reliance Industries up 23.25 rupees at 314.50 rupees.

OPEC hailed for supply hike Clinton urges oil cos to slash prices

WASHINGTON, Mar 31: President Bill Clinton yesterday urged oil firms to swiftly cut gasoline and heating oil prices for Americans following OPEC's decision to pump more oil, says Reuters.

The president told a news conference the soaring oil prices that sparked an intense OPEC lobbying campaign to boost OPEC output should serve as a "wake-up call" for legislation to cut US dependence on oil imports, through conservation and alternative fuel sources.

But he indicated it was doubtful Americans could be persuaded to give up their popular, gas-hogging sport utility vehicles, fuelled by some of the lowest-cost gasoline in the industrialised world. "I urge the oil companies to do everything they can to bring the savings to consumers as quickly as possible," Clinton said. He said retail prices for home heating oil and gasoline were expected to fall within "the next few weeks."

The president congratulated the Organisation of Petroleum Exporting Countries for agreeing on Tuesday to increase oil production by 7 per cent in response to the US campaign, which was bitterly criticised by some OPEC members including Iran as a heavy-handed, political exercise.

"These increases should bring lower prices, which will help to sustain economic



Countryside campaigner Birgit Cunningham covered with fake blood and handcuffed to railings at the entrance of Downing Street Friday while staging a protest just before a summit with farmers. Cunningham, who once threw a chocolate eclair at agriculture minister Nick Brown, said "We have to save our farmers." —AFP photo

19 US Democrats to oppose permanent NTR to China

WASHINGTON, Mar 31: Nineteen Democrats in the US House of Representatives announced yesterday that they would oppose legislation granting permanent trade benefits to China, dealing a blow to White House efforts to round up votes for the market-opening pact with Beijing, reports Reuters.

The Democrats had voted in favour of annual renewal of China's trade status in the past, but told President Bill Clinton in a letter that they would vote against legislation making those benefits permanent, insisting that Beijing first improve human rights and labour standards.

Democratic Representative David Bonior of Michigan, the chief vote-counter for forces opposing the measure, estimated that at least 135 of the House's 211 Democrats now opposed the legislation.

While he conceded that was not enough to defeat the measure, which is overwhelmingly supported by the Republican majority, Bonior said opponents of the pact had the momentum and were within striking distance.

The announcement by the 19 Democrats was a setback for Clinton, who asked Congress to approve permanent so-called normal trade relations (NTR)

legislation by June to ensure that US companies benefit from the landmark trade agreement. The pact would open China's vast marketplace, potentially the world's largest with 1.3 billion consumers.

Bonior said he hoped to convince a total of 150 Democrats to oppose the legislation.

Clinton's allies were sceptical of Bonior's vote count. Representative Cal Dooley of California, leader of the centrist New Democrat Coalition, said he expected close to 50 members of the group to support the president.

Representative Charles Stenholm of Texas said an overwhelming majority of the "Blue Dog" Democrat coalition also would support permanent NTR. The conservative group has 30 members.

Clinton has asked Congress to approve the legislation by June, saying further delay could bog it down in election-year politics.

Clinton short of votes to pass deal: Poll

According to a Reuters poll, one hundred-and-fifty lawmakers in the US House of Representatives said they would

support or were likely to support President Bill Clinton's landmark trade agreement with China. 78 votes short of the number needed for passage.

While the market-opening pact is virtually assured of US Senate approval, it remains to be seen whether Clinton and his congressional allies can sway enough undecided lawmakers in the weeks ahead to muster a 218-vote majority in the 435-member House given still opposition from organised labour.

The White House says it is confident it will prevail, but the opposition says it is gaining ground.

White House for separate HR law

Another report says: The Clinton administration is talking with congressional lawmakers about separate legislation on human rights in China to help ease passage of a bill granting the country permanent trading privileges, a senior official said yesterday.

White House economic adviser Gene Sperling said the administration was discussing various possibilities to help ensure that a measure authorising permanent normal trade relations (NTR) with China becomes law.

Japan limping toward recovery despite record joblessness

TOKYO, Mar 31: Japan's unemployment hit a record high in February and is set to climb further, but consumer spending broke a half-year downturn, keeping hopes alive that the economy is limping toward a sustainable recovery, reports Reuters.

Economists said today's spate of data showed painful but needed corporate restructuring was starting to bite, with hopeful signs of improvement in personal consumption, the lion's share of the economy and the missing link to a durable recovery.

The jobless rate rose 0.2 percentage point to 4.9 per cent after holding steady for months, the government said on Friday, and cabinet ministers conceded it will likely worsen as a flood of new graduates hits the labour

market this month.

"The rate may rise in the next month or two, but that has been expected," said Finance Minister Kiuchi Miyazawa. "Given a rise in firms' capital spending, I don't think joblessness will change the trend in the economy."

Corporate capital spending, the second-biggest chunk of the economy, has showed signs of a pick-up, driven by a rise of investments in the information technology-related sector.

But consumers, whose spending accounts for three-fifths of the economy, have been stubbornly resistant to opening their purses amid the harsh job climate and falling wages.

Yet, Friday's data showed spending by wage earners' households rising a real 3.8 per

cent from a year earlier, its first rise in seven months and the biggest climb in almost three years.

The Management and Coordination Agency attributed nearly three-fourths of the spending rise to the statistical windfall of a leap-year day, but the rise nonetheless dwarfed the median forecast of a 2.1 per cent rise in a Reuters poll of economists.

Disposable income continued to fall, meaning the consumption increase is financed by an unsustainable drawdown in savings, but separate data showed that overtime pay rose for the 10th month in a row.

The households, spent 71.5 per cent of their disposable income, up from 70.0 per cent in January, the agency said.

Bangladesh Power Development Board

রাত ১১টা থেকে ভোর ৬টার মধ্যে সেচ পাম্প চালান

Tender Notice

Name of work: a) Transport of electrical goods in Comilla town under 18-Town Power Distribution Project, b) Transport of electrical goods at Majdee town under 18-Town PD Project, c) Transport of electrical goods at Feni town under 9-Town PD Project, d) Transport of electrical goods at Chawmuhuni town under 9-Town PD Project, e) Transport of electrical goods at Laxmipur town under 9-Town PD Project. Eligibility of contractor: Ka, Kha and Ga classes of contractors' establishments of PDB (renewed up-to-date) and established transport contractor with experience in transporting electrical goods. Estimated expenditure: a) 4,93,100/=, b) 4,93,100/=, c) 4,91,600/=, d) 4,91,600/=, e) 4,89,500/=. Cost of tender: Each set for each work Tk 300/- (three hundred) (non-refundable). In the forms of Bank Draft/Pay Order in favour of the Project Director, 18-Town PD Project, PDB, Dhaka. Place where tender will be available with date: Project Directors, 18-Town PD Project, PDB, Dhaka/Superintending Engineer, O&M Circle, PDB, Comilla/Manager, Sonali Bank, WAPDA Building Branch, Zangalia, Comilla with the permission from the undersigned till 17/04/2000 tender can be purchased. Date of receiving and opening tender: Project Director, 18-Town P Distribution Project, PDB, Dhaka/Superintending Engineer, Operation & Maintenance Circle, PDB, Comilla in the office of the undersigned on 18/04/2000 at 12:00 noon and tender will be opened the same day at 12:30 pm before the tenderers present (if anyone remains present). Other terms and conditions and all other rules and regulations of the tender in schedule must be followed properly.

Power/Public-1658(6)/99-2000
DFP-7219-28/3
G-587
Executive Engineer
18-Town Power Distribution Project
PDB, Comilla